



Doing Business In Zambia: A Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Zambia

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Market Overview

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Zambia is a landlocked southern African country of 10.5 million people, with good mineral resources, extensive arable land, and normally adequate rainfall. The country's nominal GDP in 2004 was \$5.4 billion. A 2004 survey by the Zambian Central Statistics Office indicates that 68% Zambians live below the poverty line. Zambia's level of urbanization, 38%, is one of the highest in sub-Saharan Africa. Unemployment is estimated to be at least 9% nationwide, but the rate of joblessness in urban areas is significantly higher. Agriculture accounts for about 15% of GDP and over 80% of employment (formal and informal), while copper and cobalt exports account for about 75% of export earnings.

Zambia began an economic reform program in 1991 and has made significant progress in liberalizing its economy, opening to foreign trade, and privatizing state-owned enterprises. The vast majority of Zambia's 330 state-owned companies had been

privatized by April 2000, including Zambia Consolidated Copper Mines (ZCCM). In 2003 the Government of Zambia cancelled plans to privatize some additional state-owned enterprises, including the national electricity utility, ZESCO. The utility is to remain under state ownership but is to operate commercially. The process of ZESCO's commercialization is under way.

Market Challenges

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After years of high inflation and exchange rate instability, the Zambian government has recently made progress toward establishing a solid macroeconomic foundation. After 20 years of inflation in excess of 20% annually, Zambia's inflation rate stabilized at 18% in 2004 and remained at this level in 2005. This is largely a result of tighter control over the government's expenditure and its borrowing from the central bank. From 2002 through 2004 the exchange rate between the Zambian kwacha and the dollar remained relatively stable in the range of 4500 to 5000 kwacha to the dollar. In late 2005, the kwacha appreciated sharply against the dollar and other major currencies. In early 2006 the exchange rate stabilized at 3500 kwacha per dollar. The government's inflation target for 2006 is 15%. This is a realistic goal, but the government will need to sustain fiscal discipline in order to reach it.

Other challenges to doing business in Zambia include a small domestic market, complex permit requirements without adequate transparency, and pervasive corruption. The government is seeking to address administrative barriers through its Private Sector Development Plan and has continued its campaign against corruption, launched in 2002.

Market Opportunities

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There is no discrimination against foreign investors and no overt restriction on repatriation of capital or profits, although the Government has announced that it is exploring mechanisms to partially restrict the repatriation of profits. A number of instances of government interference in the private sector, a weak court system, and inadequate law enforcement tarnish in practice Zambia's liberal investment framework.

Market Entry Strategy

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Only a few U.S. companies have a significant presence in Zambia. Bilateral trade is limited by high transportation costs, the relatively small Zambian market, and low incomes. Zambia is a member of the World Trade Organization (WTO), the Common Market for Eastern and Southern Africa (COMESA), and the Southern African Development Community (SADC).

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For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

State Department Background Notes: <http://www.state.gov/p/af/ci/za>

Bank of Zambia: <http://www.boz.zm>

Zambia Central Statistical Office: <http://www.zamstats.gov.zm>

Zambia and the IMF: <http://www.imf.org/external/country/zmb>

Zambia and the World Bank: <http://www.worldbank.org/afr/zm>

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Using an Agent or Distributor

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Over 90 Zambian companies are significant agents or distributors for U.S. companies, and there is strong interest in acting as agents or distributors for U.S. products. Financing local inventories is often a problem, especially given current high interest rates. Only a few companies have sales or service networks that meet standards many U.S. companies desire. The Embassy has the capacity to conduct Agent/Distributor Searches when requested through a U.S. Department of Commerce district office, or when contacted directly by a U.S. company. Local offices of international accounting firms and business consultants can also assist in finding a qualified local business partner.

Establishing an Office

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The legal requirements for establishing an office in Zambia are relatively simple. A prospective company must register with the Registrar of Companies at the Patents and Companies Registration Office, a semi-autonomous institution under the Ministry of Commerce, Trade and Industry, by submitting the company charter and a registration fee. This may be done by an individual, a law firm, or by a business consultant. Minimum investment per shareholder is \$50,000 in the form of capital or assets or both plus a 2.5% registration fee. After submission of the company charter and payment of registration fees, a Certificate of Incorporation is generally issued within 24 hours.

Foreign companies that plan to invest in Zambia should obtain an investment license from the Zambian Investment Center (ZIC) to take advantage of ZIC advocacy and services. The procedure is simple and licenses are approved or disapproved within 30 days. Licenses generally allow for up to five expatriate managerial or technical staff. The Zambia Investment Center may be contacted at the following address:

Zambia Investment Centre
6457 Los Angeles Boulevard, Longacres
PO Box 34580, Lusaka, Zambia
Tel: (260) 1-252-150; Fax: (260) 1-252-150
E-mail: invest@zamnet.zm
Website: <http://www.zic.org.zm>

Franchising

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Franchise business arrangements in Zambia are based on British contract law. Distributor or agent franchising is most common in Zambia, while the business-format type of franchising is beginning to develop. There is increased interest in franchising in Zambia generated by publicity and exposure to international franchise trade events in the U.S. Financing remains a major obstacle to franchise business in Zambia.

Direct Marketing

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There are no restrictions on foreign firms directly marketing products in Zambia.

Joint Ventures/Licensing

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There is strong interest in the Zambian business community in joint ventures and licensing agreements. These arrangements are often expected to help overcome domestic shortages of capital, technology, or expertise.

Selling to the Government

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The Government of Zambia purchases directly from suppliers for orders worth 500,000 kwacha (about \$140) and below. Purchases exceeding 500,000 kwacha, including capital expenditures funded by external assistance, go through the National Tender Board.

Distribution and Sales Channels

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Distribution and sales of goods and services are almost entirely through the private sector. There are both formal and informal distribution channels, large and small, through which goods are sold to the consumer. Wholesale trade is concentrated in cities and large towns, with retail outlets and individual vendors operating in cities, towns, and remote areas throughout the country.

Selling Factors/Techniques

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Selling is normally done on a cash basis, due to scarce and expensive credit. Companies that can offer credit, or an extended payment schedule, have an edge even if their prices are higher. Cost, reliability, simplicity, and durability are also important factors in marketing products in Zambia. After-sales service is an important factor for technical products.

Electronic Commerce

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E-commerce is a relatively new way to conduct business in Zambia. Very few firms are equipped to conduct on-line transactions.

Trade Promotion and Advertising

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Electronic Media: Zambia has one national television station and 30 community radio stations, 18 of which have a limited audience. Television reaches less than 30% of households. Radio coverage is broad reaching almost the entire country with broadcasts in both English and local languages. The most important television and radio broadcasters are:

Zambia National Broadcasting Company (ZNBC)
PO Box 50015, Lusaka, Zambia
Tel: (260) 1-251-961; Fax: (260) 1-246-489

Email: znbc@zamtel.zm

Radio Phoenix
P/B E 702, Lusaka, Zambia
Tel: (260) 1-222-403 Fax: (260) 1-221-655
E-mail: rphoenix@zamnet.zm

Radio Yatsani
P.O. Box 31965, Lusaka, Zambia
Tel: (260) 1-265 842 Fax: (260) 1-263 626
Email: yatsani@coppernet.zm

Radio Icengelo
P. O. Box 20942, Kitwe, Zambia
Tel: (260) 2-229 538 Fax: (260) 2-229 305

Print media: There are two state-owned daily newspapers, the "Times of Zambia" and the "Zambia Daily Mail." The only independent daily is the "The Post." "The Zambia Daily Mail" and the "Times of Zambia" also publish business weeklies, the "Financial Mail" and "Financial Times," respectively. Two monthly business publications are the Zambia National Farmers Union's "Zambian Farmer," and "Profit Magazine" published by the Zambia Association of Chambers of Commerce and Industry. The two latter publications are strong voices for private sector business in Zambia. The following are contact addresses for the major print media:

Times of Zambia, PO Box 70089, Ndola, Zambia
Tel: (260) 2-611-001/2/3/4; Fax: (260) 2-614-469
E-mail: times@zamtel.zm
Website: www.zamnet.zm

Zambia Daily Mail, PO Box 31412, Lusaka, Zambia
Tel: (260) 1-227-793/8; Fax: (260) 1-225-881
E-mail: zadama@zamnet.zm
Website: www.zamnet.zm

The Post, P/Bag E352, Lusaka, Zambia
Tel: (260) 1-225-455; Fax: (260) 1-225-452
E-mail: post@post.co.zm
Website: www.postzambia.com

The U.S. advertising firm Young & Rubicam has offices in Zambia and may be contacted at the following address:

Young & Rubicam (Zambia) Limited
PO Box 32497, Lusaka, Zambia
Tel: (260) 1-228-489; Fax: (260) 1-225-173
Email: yrubicam@coppernet.zm

Pricing

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As Zambia's economy has become more open, pricing has become more competitive. International and domestic transportation costs can be a considerable factor in selling goods. Credit is scarce and expensive, making it a major consideration in a purchasing decision.

Sales Service/Customer Support

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After-sales service and customer support are important factors, particularly for technical products. In general, after-sales service and support are poor.

Protecting Your Intellectual Property

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Trademark protection is limited. There are fines for revealing business proprietary information, but the fines are not large enough to penalize disclosure adequately.

Zambia's patent laws conform to the requirements of the Paris Convention for the Protection of Industrial Property, to which Zambia is a signatory. It takes a minimum of four months to patent an item or process. Duplicative searches are not done, but patent awards may be appealed on grounds of infringement.

Zambia is signatory to a number of international agreements on patents and intellectual property. These include the World Intellectual Property Organization, Paris Union, Bern Union, African Regional Industrial Property Organization, and the Universal Copyright Convention (under UNESCO). National laws are mostly adequate in protecting intellectual property rights, and there has been effective recent enforcement against pirated software and musical and video recordings. Small-scale trademark infringement occurs for some packaged goods through copied or deceptive packaging.

Due Diligence

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All U.S. companies are advised to exercise due diligence before doing business in Zambia.

Local Professional Services

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An attorney is not required to register and establish a company, but a local attorney familiar with Zambian law is best placed to handle many routine problems that may arise.

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Zambia Investment Center: <http://www.zic.org.zm/>

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Commercial Sectors

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Telecommunications Equipment

The telecommunications industry is growing, although its growth remains hampered by government interference. Besides the national radio and television broadcasting station, two private television stations have been issued construction licenses. A construction certificate permits test transmission for 18 months. MUVI Television and Mobi Television have commenced such transmissions.

Opportunities

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Telecommunication equipment, software and hardware, consumer electronic products, antennas, broadcasting equipment and accessories

Mining Industrial Equipment

Total copper output in 2004 was 397,370 metric tons, reflecting an increase of 13.6% above the 349,814 metric tons produced in 2003. This increase in annual copper production was mainly attributed to continued favorable conditions on the international metals market, as reflected in higher copper prices. High prices enabled mining companies to undertake investments and refurbish plant and equipment, increasing efficiency, productivity and total output.

Best Prospects/Services

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Underground mining equipment, heavy-duty mining equipment and mining consumables such as chemicals, spare parts and other accessories

Opportunities

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Zambia also produces gemstones such as emeralds, aquamarine, amethyst, garnet, tourmaline, and others. There is tremendous interest in developing Zambia's gemstone industry. Zambia has deposits of gold, silver, selenium, talc, nickel, limestone, coal, clay graphite, and silica. The potential to cut and polish marble, precious stones, gemstones and malachite for export is immense. There are plans to develop gemstone auction floors as part of a marketing strategy. During recent exploration for other minerals, small quantities of coltan were discovered in Zambia. While no direct efforts have been made to mine this valuable mineral, great potential exists.

Computers/Peripherals

The computer market in Zambia is limited but growing steadily. Many corporations are introducing computer applications in their operations to enhance efficiency and productivity. The gradual expansion of Internet connectivity is also spurring demand.

Opportunities

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There is a shortage of skilled repair facilities and software experts. Zambia has significant requirements for infrastructure rehabilitation. There is a demand for computers and computer consumables.

Agricultural Sectors

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Agricultural imports are generally about 10% of total imports. The major imports are farm implements, fertilizers, packaging, maize, rice, live animals for breeding, and agricultural chemicals such as pesticides. Agricultural exports include fresh coffee, cut flowers, sugar, tobacco, groundnuts, and fresh vegetables. The largest share of investment in the sector is from abroad, mainly from southern Africa, although several U.S. investors are engaged.

Zambia generally imports wheat, usually from South Africa, Canada, and the United States. Corn (maize) is also imported in years when drought affects Zambia. Zambia will only accept imports of agricultural products that are certified free of genetically modified organisms. This prohibits the importation of U.S. corn and soybeans.

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Import Tariffs

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Customs valuation is ad valorem on a CIF basis. A small number of goods may be imported into Zambia duty-free. These include medicines, pharmaceuticals, veterinary, and medical equipment, chemicals in bulk, fertilizers, and seeds. Most goods fall into one of three tariff bands: 5% (selected raw materials, and capital equipment); 15% (intermediate goods); or 25% (final products). Duty on productive machinery for agriculture and mining is zero percent.

Trade Barriers

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Selected items, including vegetable cooking oils and soaps, are subject to alternative specific duty rates above the standard bands.

Import Requirements and Documentation

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No import licenses are required for general importation into Zambia. However, certification must be obtained for the following imports: meat and poultry (Veterinary Department); plants (Mount Makulu Research Station); food and drugs (Ministry of Health); firearms and ammunition (Zambia Police). Ivory imports are banned.

Standard customs declarations are required for imports. Banks are responsible for documenting payment.

U.S. Export Controls

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Export licenses are required for fertilizer, firearms, live animals, historical artifacts, and wildlife trophies.

Temporary Entry

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Goods for visitor's own use (not applicable to Zambian residents)

Visitors declare their goods to Customs at the point of entry and declare and produce them for inspection at the point of departure. Generally a list describing the goods, prepared in duplicate well in advance, will hasten clearance on entry. When a visitor's

motor vehicle is not covered by a valid carnet, Customs will issue a customs import permit (CIP).

Goods other than those for visitor's own use

These require the permission of the Commissioner of Customs and Excise. Prior to importation, persons intending to import such goods should seek authority in writing, detailing the goods, value, purposes for importing, and duration of stay in Zambia. The Commissioner will in turn indicate the conditions for importation, which may include a refundable monetary security pending exportation after expiry.

Labeling and Marking Requirements

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There are no special labeling or marking requirements.

Prohibited and Restricted Imports

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There are no prohibited imports of otherwise legal goods. The importation of the following is expressly prohibited: false and counterfeit coins or bank notes; indecent, obscene, or objectionable material; goods manufactured or produced wholly or in part by prison labor; pirated and counterfeit goods; and any goods prohibited under any other law in Zambia such as the Drug and Psychotropic Act, the Wildlife Act, and the National Heritage Act for Historical Artifacts.

Customs Regulations and Contact Information

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Mr. Kingsley Chanda
Commissioner – Customs and Excise
Zambia Revenue Authority
Kalambo Road
Revenue House
P. O. Box 35710
Lusaka
Zambia
Tel: 260-1-223 760
Fax: 260-1-221 923

Standards

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Standards Organizations

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Standards legislation is outdated and not enforced. The Zambia Bureau of Standards (ZABS) intends to reevaluate and update existing legislation. Several companies are attempting to become ISO 9000 certified.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL:

<http://www.nist.gov/notifyus/>

Conformity Assessment

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ZABS has no equipment to test actual products, but has a Metrology Laboratory that provides calibration services.

Product Certification

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Companies use in-house laboratories to certify products according to standards set by ZABS. ZABS recently bought portable electronic equipment, which will be used at the borders to clear electronic goods.

Accreditation

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On November 4, 2004, the ZABS notified acceptance of the WTO TBT Code of Good Practice for the preparation, adoption and appreciation of standards.

Publication of Technical Regulations

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The Export Board of Zambia issues a monthly newsletter, Export Review, containing information on the multilateral trading system and technical regulations in collaboration with ZABS.

Labeling and Marking

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It is mandatory for manufacturers and importers of food products to ensure that labels provide information on shelf life.

Contacts

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Mr. Mataa Mukelabai
Director
Zambia Bureau of Standards (ZABS)
Lechwe House, Freedom Way
P. O. Box 50259
Lusaka
Zambia
Tel: 260-1-231 385
Fax: 260-1-238 483
Email: zabs@zamnet.zm

Mr. Buchisa Mwalongo
Registrar
Patents and Companies Registration Office
Mwayi House, Haile Selassie Avenue
P. O. Box 32075
Lusaka
Zambia
Tel: 260-1-255 151
Fax: 260-1-255 426

Trade Agreements

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Zambia belongs to the 20-member Common Market for Eastern and Southern Africa (COMESA), which allows for preferential tariff duty of 2% (selected raw materials and capital equipment); 10% (intermediate goods); 15%(final products). In October 2000, COMESA launched a Free Trade Area (FTA), which has nine member countries, including Zambia. The FTA is working to increase intra-COMESA trade and to make the region more competitive globally. Zambia also belongs to the 14-member Southern African Development Community (SADC). SADC has also proposed establishment of a free trade area.

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COMESA: <http://www.comesa.int>

SADC: <http://www.sadc.int>

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Overview

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Zambia has a generally positive investment climate, although progress toward an open economy has been intermittent over the last three years. During the 1990s, Zambia opened its doors to foreign investment, reduced government intervention in commercial activities, privatized over 258 enterprises, and eliminated many market distortions. The impact of these progressive policies, however, was undermined by persistent fiscal deficits and corruption. This led many Zambians to lose confidence in the efficacy of economic liberalization. These doubts provide partial explanation for the Zambian government's decision in 2002 and 2003 to seek alternatives to privatization of the national railroad and the national electricity and telecommunications utilities. In 2003 and 2004, however, the Zambian government increased dialog with the private sector and placed a new emphasis on attracting investment. This change in emphasis continued through 2005.

Economic development in Zambia continues to face two principle challenges: the HIV/AIDS epidemic and over-reliance on copper mining. Persistent high inflation and poor infrastructure also depress growth. Despite these problems, Zambia experienced positive economic growth for the sixth consecutive year in 2005, with a 4.3% real increase in GDP. Inflation dropped from 30% in 2000 to 20% in 2002 and has since remained below this level. Despite rising oil prices, fiscal and monetary discipline allowed Zambia to maintain an inflation rate of 16% in 2005.

For thirty years, copper production declined steadily from a 1973 high of 700,000 tons to a 2000 low of 226,192. The decline was the result of poor management of state-owned mines and lack of investment. With the privatization of the mines in April 2000, the downward trend in production and exports was reversed. Copper production increased to 337,000 metric tons in 2002 and 350,000 metric tons in 2003. The 2002 pullout of Anglo-American Corporation, the major shareholder in Zambia's largest mine, Konkola Copper Mines (KCM), raised doubts about the future of the Zambian copper sector but also opened the way for new investors. In 2004, Vedanta Resources replaced AAC as the majority shareholder in KCM. Other leading investors in Zambia's mining industry are Glencore International, Equinox Minerals, and J&W Investments. Fresh capital investment from these and other sources has increased Zambia's copper production.

Implementation of Zambia's Poverty Reduction Strategy Paper has received support from multilateral and bilateral donors. In April 2005, the International Monetary Fund (IMF) and the World Bank's International Development Association (IDA) provided Zambia significant debt service relief and debt forgiveness under the Heavily Indebted Poor Countries (HIPC) initiative. Zambia is the 17th country to reach the HIPC completion point. Zambia has received approximately \$6 billion in debt relief.

In July 2005, the G-8 agreed on a proposal to cancel 100 percent of outstanding debts of eligible HIPC countries to the IMF, African Development Fund, and IDA. Zambia will be among the beneficiaries of this additional multilateral debt relief.

Openness to Foreign Investment

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The Zambian Government actively seeks foreign investment through the Zambian Investment Center (ZIC), intended to be a one-stop resource for international investors interested in Zambia. An investment board screens all investments for which incentives are requested and usually makes its decision within thirty days. The reviews appear routine and non-discriminatory, and applicants have the right to appeal investment board decisions.

In addition to compliance with the Companies Act No. 26 of 1994, a foreign company must, within 28 days of the establishment of its place of business in Zambia, file its list of directors, constitution, and local representative with the registrar of Companies.

There is no distinction in law between foreign and domestic investors, though there are some restrictions on foreign participation in the retail sector. The privatization process is open to foreign bidders from the point at which companies are advertised. There are no restrictions on foreign investment in the Lusaka Stock Exchange, and foreigners may invest on the stock exchange on comparable terms as Zambians. Although there are no legal distinctions between foreign and domestic investors, companies seeking licenses or concessions or investors bidding for privatized companies are encouraged to

commit to local participation. It is not clear how such commitments are weighed when decisions are made.

The judicial system has a mixed record in upholding the sanctity of contracts. Judicial processes are lengthy and many magistrates lack legal experience.

The Zambian Investment Act is under review, and some proposed amendments aim to increase regulation of the business community and support Zambian entrepreneurs by restricting the role of foreign investors. These regressive proposals, however, appear to be losing favor, and fears that the investment climate might seriously deteriorate are subsiding.

Conversion and Transfer Policies

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Investors are free to repatriate capital introduced into Zambia as well as to externalize dividends, management fees, interest earned, profits earned, technical fees, and royalties. Earnings of expatriates can also be externalized without difficulty. In summary, there is no exchange control in Zambia for anyone doing business as either a resident or non-resident. Additionally, there are no restrictions on non-cash transactions.

In July 2003, the Zambian Finance Minister announced that he was considering placing new restrictions on repatriation of profits. By December 2005, no restrictions had been introduced.

Over-the-counter cash conversion of kwacha into foreign currency is restricted to a \$5,000 maximum for account holders and \$1,000 for others per transaction.

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Investments may only be expropriated by an act of parliament relating to the specific property expropriated. The law states compensation must be at a fair market value, although the method for determining fair market value is ill-defined. Compensation shall be convertible at the current exchange rate. In addition, investors are guaranteed that investments will not be adversely affected by any changes in the Investment Act for a period of seven years.

Land, which is held under 99-year leases, may revert to the government if it is ruled to be undeveloped. So far, no privately held land has reverted.

Dispute Settlement

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There have been relatively few investment disputes since the MMD government took office in 1991. The investment code stipulates that disputants must first resort to the Zambian High Court for internal dispute settlement. Failing that, the parties may go to international arbitration, which the state recognizes to be binding. Zambia is a member of the International Center for the Settlement of

Investment Disputes (ICSID) and the United Nations Commission of International Trade Law (UNCITRAL).

Previous disputes involved delayed payments from state-owned enterprises for goods and services and the delayed deregistration of a US-owned aircraft despite contractual obligations.

Disputes have arisen over awards of game management areas for hunting concessions, and U.S. investors have complained that procedures in this sector lack transparency.

The courts in Zambia are reasonably independent, but contractual and property rights are weak and final court decisions can take a long time. Slow courts and inadequate law enforcement procedures resulted in the unjustified jailing of a U.S. businessman in 1998. The issue was resolved after protracted legal proceedings.

There is no bankruptcy law in Zambia. Secured interests in property are possible and recognized, but fairly rare. There is no system for recording these interests.

Performance Requirements and Incentives

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There are no requirements for local content, equity, financing, employment, or technology transfers. The Investment Act provides incentives for investments in rural enterprises, farming, and non-mineral exports (see below). Although performance requirements are not imposed, authorities enforce commitments made in applications for investment licenses. For example, the government is currently requiring that an international firm licensed to operate a cellular telephone network live up to a commitment to offer 10% of its shares on the local market.

General Incentives and Taxation: Foreign investors receive national treatment under the tax system. Income from farming is taxed at a rate of 15%, below the standard corporate tax rate of 35%. In addition, that portion of income that is determined by the Commissioner of Taxes to originate from the export of non-traditional products is taxed at a rate of 15% (traditional exports are all mineral exports of copper, cobalt, lead, zinc, gold, and silver).

Work Permit Requirements: Notwithstanding the provisions of the Immigration and Deportation Act, a foreign national who invests a minimum of \$250,000 or equivalent in convertible currency and who employs a minimum of ten persons is entitled to a self employment permit or resident permit. Investors operating in Zambia must obtain a permit (the ZIC provides assistance in obtaining this), in addition to other licenses/certificates, which may be required, depending on the sector (timber, tourism, and mining are some examples of sectors requiring special permits). With an approved investment license, an investor is eligible for up to five expatriate work/resident permits, but in practice companies have had difficulty securing these.

Capital Allowances: Buildings used for manufacturing, mining, and hotels qualify for a depreciation allowance of 5% per year plus an initial allowance of 10% of the cost in the year in which the building was first used. Equipment, machinery, and plants used exclusively for farming, manufacturing, and tourism qualify for a depreciation allowance of 50%. Capital expenditures on farm improvements qualify for a farm improvement allowance of 20% per year for the first five years. Capital expenditure allowance on the growing of coffee, tea, bananas, citrus fruits, or similar plants qualifies for a development allowance of 10 % per year up to the first year of production. A farm work allowance of 100% applies to expenditure on farmland such as stumping, clearing, prevention of soil erosion, boreholes, wells, water conservation, and aerial or geographical surveys. The depreciation allowance for non-commercial vehicles is 20% (straight-line depreciation). Expenditure on other assets used in creating income qualifies for a depreciation allowance of 25% (straight-line depreciation).

Special Incentives: Investors who qualify in one of the five categories below shall be entitled, in addition to the general incentives, to an exemption from customs duties and sales duties on all machinery and equipment (excluding motor vehicles) required for the establishment, rehabilitation, or expansion of that enterprise:

Exporters of non-traditional products which result in net foreign exchange earnings;

Producers of products for local agricultural use and the production of agricultural commodities or other agriculture-related products for export;

Businesses engaged in tourism resulting in foreign exchange earning in excess of 25% of the gross annual earnings of the business unit;

Businesses engaged in an import substitution industry using a significant proportion of local raw materials resulting in net foreign exchange savings;

Businesses located in a rural area.

Right to Private Ownership and Establishment

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There is a right of private ownership of business enterprises and there are no business ventures reserved solely for the government. Private entities may freely establish and dispose of interests in business enterprises, but investment board approval is required to transfer an investment license for a given enterprise to a new owner.

Private enterprises in competition with public enterprises have occasionally complained that the playing field is not level when they compete for licenses or concessions.

A subsidiary of a foreign company is regarded as a Zambian company. The legal liability of the parent company is limited to the amount of capital committed, together with any guarantees provided.

Protection of Property Rights

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The Investment Act assures investors that property rights shall be respected. No investment of any description can be expropriated unless Parliament has passed an act relating to the compulsory acquisition of that property. Also, in the case of expropriation, full compensation shall be made at fair market value and shall be convertible at the then current exchange rate. In addition, investors are guaranteed that investments will not be adversely affected by any changes in the Investment Act for a period of seven years.

Trademark protection is adequate. There are fines for revealing business proprietary information, but fines are not large enough to penalize disclosure adequately. Copyright protection is limited and does not cover computer applications.

Zambia's patent laws conform to the requirements of the Paris Convention for the Protection of Industrial Property, to which Zambia is a signatory. It takes a minimum of four months to patent an item or process. Duplicative searches are not done, but patent awards may be appealed on grounds of infringement.

Zambia is a signatory to a number of international agreements on patents and intellectual property, including the World Intellectual Property Organization (WIPO), Paris Union, Bern Union, African regional Industrial Property Organization (ARIPO), and the Universal Copyright Convention of UNESCO. National laws are generally adequate in protecting intellectual property rights, and there has been effective recent enforcement against pirated musical and video recordings as well as software. Small-scale trademark infringement occurs for some small packaged goods through copied or deceptive packaging.

Enforcement of property rights is weak in Zambia, and courts have little experience with commercial litigation. Planned legal reforms include the strengthening of commercial law and property rights.

Transparency of Regulatory System

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The government has made strides toward introducing transparent policies to foster competition, but complaints arise from time to time. Questions have arisen in recent years regarding the award of game management areas, the enforceability of existing development agreements, and the fairness of competition between state-owned enterprises and private firms.

Labor laws provide extremely generous severance benefits to workers, which can impede investment.

Although the Zambia Investment Center seeks to serve as a "one-stop shop" for investors, in practice red tape associated with licenses and permits presents problems. In some cases, scores of licenses are required to run a business.

Proposed laws are usually not published in draft form for public comment. Instead, there are stakeholder consultations at which proposed new regulations are discussed.

Though the underpinnings for an efficient system to handle court disputes exist, Zambian courts are relatively inexperienced in the area of commercial litigation. This, coupled with the large number of pending commercial cases in the system, keeps the regulatory system from being prompt and transparent. Some measures to promote resolution of disputes by mediation have been implemented in an attempt to clear the backlog. The courts support alternative dispute resolution, including a mechanism for binding arbitration. In 2004, the High Court established a commercial division to adjudicate high-value claims. This fee-based system has accelerated resolution of such cases.

Capital Markets and Portfolio Investment

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A) Banking Sector

Government policy generally encourages the establishment of free market financial institutions. Banking supervision and regulation by the Bank of Zambia (BoZ), the central bank, has improved over the past few years. Improvements include revoking licenses of insolvent banks, denying bailouts, limiting deposit protection, strengthening loan recovery efforts, and upgrading the training and incentives of bank supervisors.

Although some improvements have been registered over the past year, credit to the private sector is expensive and available only for extremely low-risk investments. One factor inhibiting lending is a culture of tolerating loan default, which many view as a minor transgression. In addition, until recently, high returns on government securities encouraged commercial banks to invest heavily in government debt. Some financial institutions restrict credit to Zambian-registered companies, but foreign ownership does not disqualify a loan applicant. Banks provide credit denominated in foreign currency only for investments aimed at producing goods for export.

B) Lusaka Stock Exchange

The Lusaka Stock Exchange (LuSE) opened in February 1994 and is structured to meet the G-30 recommendations for clearing and settlement system design and operations. Since its inception, the LuSE has offered trading in equity securities, and in March 1998, the LuSE became the official market for trading in government bonds. Investors intending to trade in a listed security or government bond are now mandated to trade via the LuSE. The market is regulated by the 1993 Securities Act, and enforced by the Securities and Exchange Commission.

The market capitalization of the LuSE for 20 listed companies tripled from \$768 million in 2003 to \$2.1 billion in 2005. Trading averaged eight trades per day, with a daily average volume of 1,250,000 shares. Bond trading in 2002 was double the value of stock trading.

There are no restrictions on foreign investment in the LuSE and foreigners may invest on the same terms as Zambians.

Political Violence

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Zambia has no recent history of political violence. Civil wars in the neighboring countries of the Democratic Republic of the Congo and Angola occasionally led to cross-border incidents, but these occurred in remote areas and their impact was limited to rural populations.

Corruption

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During the 1990s, corruption undermined the economic stability of Zambia. The problem pervaded Zambia, from the top down, ranging from senior government officials abusing the privatization process to local policemen committing extortion. The current administration has launched a campaign to uncover past abuses, punish perpetrators, and recover assets. Petty corruption, however, remains common, as low salaries for government employees undermine efforts at reform.

The government has an Anti-Corruption Commission to investigate allegations of misconduct and in 2002 it formed a Task Force on Corruption to spearhead efforts to hold accountable officials from the previous administration. At the President's urging, Parliament lifted former President Frederick Chiluba's immunity from prosecution, and he is among those charged with various offenses.

Transparency International has an active Zambian chapter.

Bilateral Investment Agreements

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Zambia has signed bilateral reciprocal promotional and protection of investment protocols with most of the Common Market for Eastern and Southern Africa (COMESA) and the Southern Africa Development Community (SADC) member states. In November 2001, COMESA signed a Trade and Investment Framework Agreement with the United States. Zambia also has a bilateral investment treaty with Switzerland (1995). On October 2, 2000, Zambia became a beneficiary of the African Growth and Opportunity Act (AGOA), a framework for U.S. trade, investment, and development policy for sub-Saharan Africa.

OPIC and Other Investment Insurance Programs

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The Overseas Private Investment Corporation (OPIC) is a U.S. government agency that provides project financing and investment insurance for U.S. investors. The OPIC/Zambia agreement was signed in June 1999. Zambia is also a signatory to the Multilateral Investment Guarantee Agency (MIGA), which guarantees foreign investment protection in cases of war, strife, disasters, other disturbances, or expropriation. In June 2001, the World Bank extended credit in the amount of \$5 million for starting the African Trade Insurance Agency (ATI). This institution, which is open to all African states that are members of the

African Union, provides exporters with political risk insurance for trade transactions.

The Embassy uses approximately \$2 million in Zambian kwacha per year. Kwacha are purchased at the market exchange rate, which ranged between 4800 and 3200 over the course of 2005.

Labor

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There is an abundance of unskilled labor and adequate semi-skilled labor. Skilled and professional workers are in short supply. Wages are not controlled. The government adheres closely to ILO conventions and has revised labor laws to conform to international practice. Labor-management relations vary by sector. Strikes are not uncommon in the public sector.

Foreign-Trade Zones/Free Ports

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An investor may apply to be appointed and licensed by the Commissioner General to establish and operate a bonded factory under Section 65 of the Customs and Excise Act. In 2002, the government amended the Customs and Excise Act in order to accommodate tax free zones. It also passed the Export Processing Zones Act to provide incentives for investors in export processing zones. However, the application of the Export Processing Zones Act was suspended in 2004 because of concern about its potential impact on revenue.

On October 31, 2000, the Common Market for Eastern and Southern Africa Free Trade Area (COMESA FTA) was launched. Zambia and eight other participating countries in the region are working toward a monetary union to reduce transaction costs and to make the region more competitive. In 2001, the Zambia Revenue Authority implemented a zero tariff for the COMESA FTA.

Foreign Direct Investment Statistics

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The ZIC compiles data on investment commitments from investors who obtain investment licenses at ZIC. These data do not show actual FDI flows or stocks, and should not be considered an accurate measure of investment. These are the only FDI data available in Zambia.

Investment Commitments by Sector (dollars)
(January to November)

Sector	2004	2005
Agriculture	34,638,242	27,116,118
Construction	2,801,340	4,933,500
Manufacturing	45,809,110	113,866,848
Transpor	3,685,292	7,152,392
Mining	14,547,563	62,483,548

Service	15,393,883	19,302,162
Tourism	6,626,545	21,968,196
Health		44,617
Total	123,501,975	256,867,381

Investment Commitments by Country (dollars)
(January to November)

Country	2004	2005
Australia		1,000,000
Australia/Canada		300,000
Australia/Bermuda	3,670,000	
British Virgin Islands		2,201,702
Great Britain	4,162,933	13,684,173
Great Britain/USA		220,000
China	14,026,245	40,813,107
Holland	900,000	100,000
Canada	250,000	3,034,548
Congo DR	389,000	334,000
Greece		1,070,000
Cyprus	133,493	
Denmark	450,000	677,000
Italy	457,600	
Iran/Australia		950,000
Belgian		160,000
Ireland	122,850	
Israel	390,000	
Lebanon	1,453,000	5,466,719
Kenya		25,145,000
Korea	1,161,000	
Mauritius	2,000,000	424,095
Malawi	210,000	
New Zealand		395,000
Norway		243,000
Botswana	2,325,000	
Namibia	217,700	
Yugoslavia	150,000	
Uganda	100,000	
Somalia	522,500	
South Africa	3,434,785	9,552,326
South Africa/Mauritius	245,000	
Saudi Arabia	1,495,000	
Singapore		2,000,000
Spain		367,024
Switzerland	17,250,000	
Sweden	300,000	278,000
Peru	6,925,430	
Portugal		160,000
Jordan	430,000	
France		120,000
France/USA		515,190

United States	1,960,000	793,000
UAE/SA/Ireland		512,000
India	975,240	60,528,500
Tanzania		146,000
Zambia	8,877,698	61,582,808
Zambia/Chinese		1,150,000
Zambia/India		832,000
Zambia/South Africa	3,748,000	175,000
Zambia/Britain	673,375	445,000
Zambia/Australia	3,509,900	
Zambia/Denmark		54,920
Zambia Kenya		176,050
Zambia/German		54,000
Britain/South Africa	455,000	73,147
Nigeria	103,000	
Zimbabwe	17,569,086	5,717,265
Zimbabwe/South Africa	1,480,800	14,259,500
Britain/Zimbabwe	512,340	1,258,000
Zimbabwe/Zambia	2,124,000	547,101

The Zambia Investment Centre issued investment certificates to a total 125 projects between January and November 2005. This compares well with the 120 projects that received investment certificates in 2004.

On March 31, 2000, Anglo American Corporation (AAC) acquired the Konkola and Nchanga copper mines and the Nampundwe pyrite mine from Zambia Consolidated Copper Mines (ZCCM), through a new subsidiary called Konkola Copper Mines. In late January 2002, AAC informed the government that it would withdraw from its investment in KCM. AAC cited financial losses linked to declining world copper prices and failure to secure funding for the Konkola Deep Mining Project, which was the main basis for its investment in Zambia.

Vedanta Plc acquired a 51 percent stake in KCM for \$48.2 million on August 19, 2004. Vedanta is required to provide a standby funding commitment or guarantee to KCM of \$220 million, so that if in the next nine years, the cash flow of KCM is negative, KCM could call on the guarantee to cover the negative cash flow. Under the agreement, Vedanta cannot withdraw until 2008 and is obliged to pay an exit fee and provide management to KCM for one year, should the group decide to leave.

KCM has announced that an estimated \$400 million will be used to expand its smelter and improve underground operations. The improvements in KCM's production capacity will push underground ore production to six million tons per annum from the current levels of two million tons.

Major investments into Zambia outside the mining sector include:

Copperbelt Energy Corporation: an electricity distribution company worth \$40 million, owned by Cinergy of Ohio, National Grid of the UK, and the Government of Zambia.

Dunavant Cotton: a wholly-owned subsidiary of Dunavant Cotton of Tennessee, worth approximately \$25 million.

National Milling: a wholly-owned subsidiary of Seaboard Corporation of Kansas, representing an initial investment of over \$20 million.

Web Resources

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Zambia Investment Center: <http://www.zic.org.zm/>

World Bank Snapshot on Zambia's Business Environment:
<http://rru.worldbank.org/DoingBusiness/ExploreEconomies/BusinessClimateSnapshot.aspx?economyid=207>

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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Financing Exports and Insurance for U.S. Exporters: The use of credit is the most common method of payment used for Zambian imports. In general, companies find it very difficult to finance their own imports and seek credit arrangements, but businesses considering offering their exports on credit should make a very careful check of the bona fides and finances of Zambian companies before doing so. Delinquent payments to suppliers are a common problem in Zambia.

How Does the Banking System Operate

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The Banking System: Zambia has a commercial banking sector composed of private international banks, private domestic banks, and state-owned banks. It is made up of eleven banks, five of which are foreign owned subsidiaries, four owned by local investors, one government owned and another a joint venture between the Zambian and Indian governments.

It is a requirement for all banks operating in Zambia to incorporate locally. As a result, there are no branches of foreign banks or U.S. financial institutions operating locally as such. However, Citibank Zambia Limited, a wholly owned subsidiary of Citicorp NY in the United States, is providing corporate banking services in Zambia.

The banking sector is supervised by the central bank, the Bank of Zambia (BoZ), which reports to the Ministry of Finance and National Planning. The sector is governed by the Banking and Financial Services Act of 1994 and accompanying regulations of the Laws of Zambia. The BoZ has proposed amendments to this Act to strengthen its supervisory powers and make the Act applicable to non-bank financial institutions. Industry observers generally credit the BoZ with making large strides in improving bank oversight over the past several years. Parliament has passed legislation for deposit insurance systems and to prevent money laundering.

Foreign-Exchange Controls

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Following a repeal of the Exchange Control Act in February 1994, Zambia established full convertibility in both the current and capital accounts. There are no controls on the movement of capital in or out of Zambia. Bank accounts may be held in local or foreign currency, and funds are easily transferred out of the country or held offshore. Amounts over 5,000 U.S. dollars, carried in or out in cash or travelers checks, must be declared. In March 1999, the central bank -- Bank of Zambia, or BoZ -- instructed commercial banks and bureau de change operators to restrict issuance of over-the-counter cash to \$5,000 per transaction.

U.S. Banks and Local Correspondent Banks

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Banks with Correspondent U.S. Banking Arrangements:

Almost all commercial banks have correspondent U.S. banking arrangements:

Mr. Rajaram Ventkatraman
Managing Director
Citibank Zambia Limited
Citibank House, Chachacha Road
P.O. Box 30037
Tel: 260-1-229025
Fax: 260-1-226258

Mr. Daniel Nel
Managing Director
Barclays Bank of Zambia Limited
Kafue House, Cairo Road
P.O. Box 31936
Lusaka, Zambia
Tel: 260-1-228858-66
Fax: 260-1-222519
Telex: ZA 41570

Mr. Tom Aaker
Managing Director
Standard Chartered Bank Limited
Cairo Road
P.O. Box 32238
Lusaka, Zambia
Tel: 260-1-229242/59
Fax: 260-1-222092
Telex: 260-41660 or 45420

Mr. Larry Kalala
Managing Director
Stanbic Bank Zambia Limited
Woodgate House, Cairo Road
P.O. Box 31955
Lusaka, Zambia
Tel: 260-1-229285/6
Fax: 260-1-225380

Mr. Jia Zaisen
Managing Director
Bank of China (Zambia) Limited
Amandra House, Ben Bella Road
P.O. Box 34550
Lusaka, Zambia
Tel: 260-1-238711
Fax: 260-1-235350

Mr. Barkat Ali
Acting Managing Director
Finance Bank Zambia Limited
Chanik House, Cairo Road
P.O. Box 36762
Lusaka, Zambia
Tel: 260-1-229733
Fax: 260-1-224450
Telex; ZA 40338

Mr. S. Gupta
Managing Director
First Alliance Bank Limited
Cha cha cha Road
P.O. Box 36326
Lusaka, Zambia
Tel: 260-1-229303
Fax: 260-1-228441
Telex: ZA 40794

Mr. A.K. Misra
Managing Director

2/16/2006

Indo-Zambia Bank Limited
Cairo Road,
P.O. Box 35411,
Lusaka, Zambia
Tel: 260-1-224653
Fax: 260-1-225090
Telex: ZA 40631

Mr. Friday C. Ndhlovu
Managing Director
Investrust Merchant Bank Limited
AFE House, Freedom Way
P.O. Box 32344,
Lusaka, Zambia
Tel: 260-1-238733
Fax: 260-1-237060

Mr. Moses Malunda
Managing Director
Cavmont Capital Bank Limited
Mukuba Pension House,
Dedan Kimathi Road
P.O. Box 32222
Lusaka, Zambia
Tel: 260-1-224280
Fax: 260-1-224304

Mr. Likoi Ndalamei
Managing Director
Zambia National Commercial Bank
Plot 33454, Cairo Road
P.O. Box 33611
Lusaka, Zambia
Tel: 260-1-228979
Fax: 260-1-223106
Telex: ZA 42360

Project Financing

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The availability of project financing, particularly for export-oriented projects, is improving. Besides bilateral and multilateral government agencies, commercial banks and venture capital funds are playing an increasing role. Both the U.S. and European Union (EU) have established enterprise development funds, which encompass Zambia. The International Finance Corporation (IFC) and Commonwealth Development Corporation (CDC) both offer financial assistance for projects in Zambia.

The Overseas Private Investment Corporation (OPIC), a U.S. government agency, offers project financing, political risk insurance, and investor services in Zambia. The U.S. Export-Import Bank currently provides only short-term insurance covering consumables, small capital goods, and raw materials up to 360 days.

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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Business Customs

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Zambia inherited the British legal system at independence in 1964. Business law is based mostly on British law, and business customs are similar to those in the U.S. and Europe.

Travel Advisory

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Crime is a problem in Zambia. Mugging is relatively rare, but car thefts and house and car break-ins are not uncommon. Copperbelt towns along the border with the Democratic Republic of Congo (Zaire) have seen periodic surges in crime due to problems across the border. There are no internal travel restrictions in Zambia, although areas around military bases may have restricted access.

Visa Requirements

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Travel Advisory and Visas: Visas are required for U.S. passport holders, and it is highly recommended that travelers obtain visas in advance of arrival. Multiple entry visas may be obtained from the Embassy of the Republic of Zambia, 2419 Massachusetts Avenue, NW, Washington DC 20008, telephone (202) 265-9717. Zambian Embassy officials generally require a letter of invitation from the individual or entity in Zambia with whom one intends to do business. Tourist visas may be obtained at the border at the airport upon arrival.

U.S. companies that require travel of foreign business persons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

American Embassy Consular website:
<http://zambia.usembassy.gov/zambia/consular.html>

Telecommunications

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Telecommunications are generally adequate, but often unreliable, especially during the rainy season. Cellular service is currently offered in Lusaka and all provinces. International telephone calls are expensive, about 8 U.S. dollars per 3-minute call to the U.S., including tax. AT&T's USA Direct service is available, as well as similar services to Britain, Sweden and some other European countries. A number of callback service companies are operating, although their legality is disputed by the state-owned telephone company, ZAMTEL. Fax machines are widely used in Zambia. The Internet is a popular communications tool and there are five Internet service providers offering dial-up connections for about \$30 per month for 33k to 56k bandwidth. At least two firms offer wireless Internet connectivity in Lusaka and its immediate surroundings. In outlying areas, satellite links are the only means of telecommunications.

Transportation

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There are weekly or more frequent airline connections to Lusaka from London, Dar es Salaam, Harare, Johannesburg, Lilongwe, Nairobi, and other cities. Domestic flights are available between Lusaka, Ndola and Kitwe (Copperbelt Province), Mfuwe and Chipata (Eastern Province), Livingstone (Southern Province), and Kasama (Northern Province). There are flights everyday linking Johannesburg to Ndola and Livingstone.

The railway system is run down and undergoing restructuring. Passenger train travel is unreliable and uncomfortable. There are numerous private city bus lines, but they are overcrowded and often unsafe.

Road transportation is the preferred means of transport for many goods. The road network is uneven: quite good on some stretches and abysmal on others.

Zambia is landlocked and goods come in and out via air freight, or through four ports: Dar-es-Salaam, Tanzania; Beira, Mozambique; Durban, South Africa; and Walvis Bay, Namibia.

Language

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English is the official language and the language of government and business in Zambia.

Health

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Medical facilities are generally limited. Doctors and hospitals often require immediate cash payment for health care services. Medical insurance covering air ambulance evacuation is highly advisable. For the most recent travel information on Zambia, call (202) 647-5225. For fax information, call (202) 647-3000, or check travel.state.gov on the Internet.

Malaria is endemic in Zambia. Prophylaxis is strongly recommended. HIV prevalence is very high in Zambia, with 16% of the adult population HIV positive nationwide and much higher rates in urban areas. Water should always be treated if bottled water is not available.

Local Time GMT +2, Business Hours, and Holidays

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Zambian business hours:

Government offices are open from 8:00 a.m. to 5:00 p.m., Monday to Friday. They are closed from 1:00 p.m. to 2:00 p.m.

Bank hours vary from bank to bank, but most are open from 8:00 a.m. to 2:30 p.m. Monday to Friday. Some are open every Saturday while most open every first and last Saturday of the month from 8:15 a.m. to 10:30 a.m.

Shops are generally open from 8:15 a.m. to 5:00 p.m., Monday to Friday, although some stay open until 8:00 p.m. They are also open Saturdays and Sundays from 8:00 a.m. to 1:00 p.m. although some remain open until 5:00 p.m. on weekends.

Zambian Holidays in 2006 are:

January 1	New Years Day
January 2	Public Holiday
March 12	Youth Day

March 13	Public Holiday
April 14	Good Friday
April 15	Holy Saturday
April 16	Easter Sunday
May 1	Labor Day
May 2	Public Holiday
May 25	African Freedom Day
July 3	Heroes Day
July 4	Unity Day
August 7	Farmers Day
October 24	Independence Day
December 25	Christmas Day

Temporary Entry of Materials and Personal Belongings

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These are grouped under two categories which are treated differently.

a) Goods for tourist/visitor's own use (not applicable to Zambian residents)

Tourist/visitors declare their goods to Customs at point of entry and declare and produce them for inspection at the point of departure. Generally a list describing the goods, prepared in duplicate well in advance would hasten clearance on entry. In case of a tourist/visitor with a motor vehicle not covered by a valid carnet, Customs will issue a customs import permit (CIP) and other goods may be declared thereon.

b) Goods other than those for tourist/visitor's own use

These require the permission of the Commissioner of Customs and Excise. Thus prior to importation, persons intending to import should seek authority in writing, detailing the goods, value, purposes for importing and duration of stay in Zambia. The Commissioner will in turn indicate the conditions for importation, which may include the putting up of a refundable monetary security pending exportation after expiry.

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Zambia National Tourist Board: <http://www.zambiatourism.com>

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

State Department Consular Information Sheet:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1062.html

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Chapter 9: Contacts, Market Research, and Trade Events

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Contacts

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U.S. Embassy Lusaka

Ambassador - Carmen Martinez
Deputy Chief of Mission - Andrew A. Passen
Political/Economic Chief - Jill Derderian
Commercial Specialist - Vedruna Santana

U.S. mailing address: 2310 Lusaka Pl., Washington DC 20521-2310.

International mailing address: United States Embassy, PO Box 31617, Lusaka, Zambia.

Street address: Corner of United Nations and Independence Avenues, Lusaka, Zambia.

Telephone: 260 1 250-955

Fax: 260 1 252-225

Zambian Government and Industry:

Ministry of Commerce, Trade and Industry, Permanent Secretary, Mr. Davison
Chilipamushi, P.O. Box 31968, Lusaka, Zambia. Tel: 260 1 223-617.

Ministry of Finance and National Planning, Permanent Secretary, Mrs. Petronella
Mwangala, P. O. Box RW 50062, Lusaka, Zambia. Tel: 260 1 250-657 and 260 1 251-843.

Zambia Privatization Agency (ZPA), Chief Executive Mr. Andrew Chipwende, P.O Box
30819, Lusaka, Zambia. Tel: 260 1 223-859.

Zambia Investment Center (ZIC), Director General, Mr. Jacob Lushinga, P.O. Box
34580, Lusaka, Zambia. Tel: 260 1 255-240.

Zambia Association of Chambers of Commerce and Industry (ZACCI), Chairman, Mr.
Wamu Kalabo, P.O. Box 30844, Lusaka, Zambia.
Tel: 260 1 252-369

Zambia Association of Manufacturers (ZAM), Chairman, Mr. Diego Casilli, P. O. Box
1992, Lusaka, Zambia. Tel: 260-1-242 761

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

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Trade Schedule: Zambia holds three annual trade fairs. The main trade event is the Zambia International Trade Fair, held the first week of July in the Copperbelt city of Ndola. This is followed by the Zambia Agriculture and Commercial Show held in Lusaka, the first week of August. The Zambia Mining, Agriculture, and Commercial Show has become increasingly important due to the privatization of the copper mines and is the premier event for any mining-related business. It is held in the Copperbelt town of Kitwe during the first week of June.

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.BuyUSA.gov/southernafrica>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.